



NEW MEXICO ENERGY, MINERALS and NATURAL RESOURCES DEPARTMENT

BILL RICHARDSON
Governor

April 27, 2004

Joanna Prukop
Cabinet Secretary
Acting Director
Oil Conservation Division

Division Order No. IPI-227

Sage Energy Company
P.O. Box 3068
Midland, Texas 79702

Attn: Mr. George M. Harris, Jr.

**RE: Injection Pressure Increase,
 North Vacuum Abo North Unit "9" Well No. 3
 North Vacuum Abo North Unit WF Project
 Lea County, New Mexico**

Dear Mr. Harris:

Reference is made to your request dated April 16, 2004, to increase the surface injection pressure on the North Vacuum Abo North Unit "9" Well No. 3. This request is based on initial well fracture data and the current fracture gradient within the project. The data provided shows that approval of the request will not result in the fracturing of the injection formation and confining strata.

You are therefore authorized to increase the surface injection pressure on the following well:

<i>WELL NAME & NUMBER</i>	<i>MAXIMUM SURFACE INJECTION PRESSURE</i>
North Vacuum Abo North Unit "9" Well No. 3 API No. 30-025-29192 Unit O, Section 2, T-17 South, R-34 East, NMPM, Lea County, New Mexico	3698 PSIG

The Division Director may rescind this injection pressure increase if it becomes apparent that the injected fluid is not being confined to the injection zone or is endangering any fresh water aquifers.

Injection Pressure Increase
Sage Energy Company
April 27, 2004
Page 2

Sincerely,

A handwritten signature in black ink, appearing to read "David Catanach". The signature is fluid and cursive, with a long horizontal stroke at the end.

David Catanach
Engineer/Examiner

cc: Oil Conservation Division - Hobbs
File: WFX-799